

**LODI CITY COUNCIL  
REGULAR CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
WEDNESDAY, JUNE 4, 2003**

**C-1     CALL TO ORDER / ROLL CALL**

The City Council Closed Session meeting of June 4, 2003, was called to order by Mayor Hitchcock at 6:07 p.m.

Present: Council Members – Beckman, Hansen, Howard, Land, and Mayor Hitchcock

Absent: Council Members – None

Also Present: City Manager Flynn, City Attorney Hays, and City Clerk Blackston

**C-2     ANNOUNCEMENT OF CLOSED SESSION**

a) Conference with labor negotiator, Human Resources Director Joanne Narloch, regarding Police Mid-Management, Fire Mid-Management (unrepresented), Lodi Professional Firefighters, and Association of Lodi City Employees regarding General Services and Maintenance and Operators pursuant to Government Code §54957.6

**C-3     ADJOURN TO CLOSED SESSION**

At 6:07 p.m., Mayor Hitchcock adjourned the meeting to a Closed Session to discuss the above matter.

The Closed Session adjourned at 7:04 p.m.

**C-4     RETURN TO OPEN SESSION / DISCLOSURE OF ACTION**

At 7:08 p.m., Mayor Hitchcock reconvened the City Council meeting, and City Attorney Hays disclosed the following action:

In regard to Item G2 (a), the negotiator received direction from the Council relative to continuing negotiations with Police Mid-Management, Fire Mid-Management (unrepresented), Lodi Professional Firefighters, and Association of Lodi City Employees regarding General Services and Maintenance and Operators. There was no action taken.

**A.     CALL TO ORDER / ROLL CALL**

The Regular City Council meeting of June 4, 2003, was called to order by Mayor Hitchcock at 7:08 p.m.

Present: Council Members – Beckman, Hansen, Howard, Land, and Mayor Hitchcock

Absent: Council Members – None

Also Present: City Manager Flynn, City Attorney Hays, and City Clerk Blackston

**B.     INVOCATION**

The invocation was given by Pastor Michael Voytek, Providence Reformed Church.

**C.     PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Boy Scout Troop 291.

**D.     AWARDS / PROCLAMATIONS / PRESENTATIONS**

D-1 Awards – None

D-2 Proclamations – None

D-3 (a) Mayor Hitchcock presented a Certificate of Appreciation to Cynthia Haynes for her service as Community Promotions Coordinator for the City of Lodi. Cynthia Haynes began serving with the City of Lodi on September 16, 1996, as an Administrative Assistant to the City Manager, Downtown Project Coordinator, and Community Promotions Coordinator. She recently announced her resignation from the City of Lodi effective June 30, 2003.

D-3 (b) Following introduction by Alan Vallow, Electric Utility Director, and Barry Fisher, Construction/Maintenance Supervisor, Mayor Hitchcock presented a Certificate of Recognition to the following Lodi Electric Utility teams that participated in the Lineman's Rodeo on May 17, 2003, in Southern California:

1<sup>st</sup> Place – Arm Change Out: Earl Holley, Ken Enzi, and Chris Daniell

1<sup>st</sup> Place – Hurt Man Rescue: Bill Dolstra, Roy Dodgion, and Dan Ferguson

1<sup>st</sup> Place – Speed Climb: Earl Holley, Ken Enzi, and Chris Daniell

2<sup>nd</sup> Place – Switch Change Out: Earl Holley, Ken Enzi, and Chris Daniell

D-3 (c) Janet Hamilton, Management Analyst, recognized and thanked all those who participated in the Celebration on Central event. Robina Ashgar, representing Community Partnership for Families, believed that this year's event made more of an impact because it was focused on the residents in the immediate area. Following the event there was a large number of people who came to the Partnership asking for more information about child care, abuse, safety, and school readiness.

D-3 (d) Dennis Bennett, Chairman of the Hutchins Street Square Foundation, reported that from 1998 to present the Foundation and City have collectively contributed \$2,925,325 through dollars raised, facilities added to the Square, and matching funds from the City. He noted that the matching fund program expires in March 2004. A new membership drive has begun, which has been very successful to date. He presented Mayor Hitchcock with a check in the amount of \$150,000 as payment toward the Hutchins Street Square Performing Arts and Conference Center.

---

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Council Member Hansen, Beckman second, unanimously approved the following items hereinafter set forth **except those otherwise noted**:

E-1 Claims were approved in the amount of \$4,276,879.33.

E-2 The minutes of May 7, 2003 (Regular Meeting), May 13, 2003 (Shirtsleeve Session), May 20, 2003 (Shirtsleeve Session), and May 20, 2003 (Special Meeting) were approved as written.

E-3 Accepted the improvements under the "Lower Sacramento Road Widening Project, Kettleman Lane to Turner Road" contract.

E-4 Accepted the industrial waste pipeline repairs performed under emergency conditions in accordance with Section 3.20.070 of the Lodi Municipal Code.

E-5 Adopted Resolution No. 2003-98 approving the final map and improvement agreement for Almondwood Estates, Tract No. 3273, and directed the City Manager and City Clerk to execute the improvement agreement and map on behalf of the City.

E-6 "Adopt resolution authorizing the City Manager to execute an amendment to the Memorandum of Understanding between the City of Lodi and various railroads approved by City Council on September 18, 2002" was **removed from the Consent Calendar and moved to the Regular Calendar**.

E-7 Adopted Resolution No. 2003-99 rejecting all bids, approving revised specifications, and authorizing advertisement for bids for Traffic Signal Preventive Maintenance and Repair Program, Fiscal Year 2002-03, for City Traffic Signal Systems; and further authorizing the City Manager to award the contract up to \$33,700.

- E-8 Adopted Resolution No. 2003-100 authorizing the City Manager to provide a Public Benefits Program grant in the amount of \$30,000 to fund the Lodi Cooling Cash Rebate Program.
  - E-9 Set public hearing for June 18, 2003, to adopt by resolution by the 2003-05 Financial Plan and Budget and the 2003-04 Appropriation Spending Limit.
  - E-10 Set public hearing for June 18, 2003, to consider the appeal of Ann M. Cerney and Citizens for Open Government regarding the Planning Commission's approval of the request of Jim Manion, on behalf of Lowe's, to certify a Final Environmental Impact Report for the Vintner's Square Shopping Center pursuant to the California Environmental Quality Act.
- 

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

G. PUBLIC HEARINGS

None.

H. COMMUNICATIONS

- H-1 On recommendation of the City's contract administrator, Insurance Consulting Associates, Inc. (ICA), and Human Resources staff, the City Council, on motion of Council Member Land, Hansen second, unanimously rejected the following claim:

- a) Janet McCallister, date of loss 2/5 or 2/6/03

- H-2 Reports: Boards/Commissions/Task Forces/Committees – None

- H-3 Appointments – None

- H-4 Miscellaneous – None

I. REGULAR CALENDAR

- I-1 “State Budget update”

City Manager Flynn reported that the May revision of the state's budget is being reviewed. It has been proposed to borrow \$10.7 billion to finance the deficit over the next five years. The Vehicle License Fee rate will go back to the original amount. He explained that currently when people register their vehicles, they pay 40% of the original amount and the state has been backfilling 60% out of general fund revenue. The proposed change will result in vehicle owners paying three to four times the current rate. The Governor proposes to restore certain spending toward Calworks, Social Security, Medi-Cal, community colleges, local governments, and K-12 education.

MOTION/ VOTE:

There was no Council action necessary on this matter.

- I-2 “Adopt resolution ratifying the San Joaquin Council of Governments' Annual Financial Plan Implementation for Fiscal Year 2003-04”

Steve Dial, Director of Administration and Chief Financial Officer for the San Joaquin Council of Governments (SJCOG), stated that SJCOG is the regional transportation planning agency for San Joaquin County. SJCOG is responsible for preparing the regional transportation plan, habitat plan administration, regional rideshare program, airport land use, and administration of Measure K. SJCOG is a joint powers authority with membership

made up of elected officials from all member agencies. The annual financial plan summary for SJCOG 2003-04 is \$100,000 less than the current budget, primarily due to a decrease in professional services. Salary and benefits increased 10% due to an increase in health care cost and the addition of one staff person. The increase in services and supplies is related to the relocation into a new building at 555 E. Weber Avenue in Stockton. The total SJCOG budget is \$4.8 million.

In reply to Council Member Hansen, Mr. Dial explained that there are a number of pass through areas, and SJCOG has the fiduciary responsibility for them. SJCOG administers the Measure K program, approximately \$35 million a year, and the Transportation Development Act.

Council Member Hansen pointed out that the SJCOG budget shows that \$183 million will be spent in San Joaquin County.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Howard, Beckman second, unanimously adopted Resolution No. 2003-101 ratifying the San Joaquin Council of Governments' 2003-04 Annual Financial Plan.

I-3 "Review and discuss proposed 2003-05 Financial Plan and Budget"

Council Member Beckman announced that he had a conflict of interest with a portion of the budget. He explained that his wife, Nancy Beckman, is the Executive Director of the Lodi Conference and Visitor Bureau (LCVB). Half of the funding the LCVB receives comes from the City. He expressed his opinion that it could create a significant appearance of impropriety and asked for direction from Council.

Mayor Pro Tempore Howard believed that there was a conflict of interest with that specific item and suggested that it be voted on separately.

At the request of Mayor Hitchcock, City Attorney Hays advised that there is a conflict of interest for Mr. Beckman on the issue of LCVB. He noted that the legislature has clarified that in such instances the individual abstaining must physically leave the area of discussion.

Council Member Land agreed that it would be a conflict of interest and encouraged Mr. Beckman to abstain from discussion and voting only on that specific item and participate in the remainder of the budget.

City Manager Flynn reported that over the past few weeks, staff has briefed businesses and business leaders in the community about the City's 2003-05 budget. Issues discussed included concerns about the general fund. Workers Compensation has doubled, liability has increased 50%, and medical insurance will double in cost over the next five years. Costs related to the California Public Employees Retirement System are projected to increase \$2.5 million in one year. There will be a \$1 million increase in employee compensation to implement the salary survey. He stated that as long as the cost of natural gas remains at \$5.50 per decatherm or lower, the Electric Utility should do well next year. In reference to Wastewater, there will be an additional cost of \$20 million to begin meeting new standards for discharge into the Delta, which will result in a rate increase. Mr. Flynn reported that a number of businesses were served papers last week to begin cleanup of the PCE/TCE contamination on their property.

A report entitled Trend Analysis of Departmental Operating Expenditures was provided to Council as part of the staff report on this item. Mr. Flynn reported that from 1984-85 to 1990-91 the average operating expenditure increase per year was 10%. From 1991 to 2002

it increased an average of 4% a year. Mr. Flynn stated that the City had to learn to manage with less because the state took away property tax and shifted it. An 18-year trend analysis showed that bulk power costs have risen and continue to. The enterprise funds and general fund appear to be flat over the 18-year period.

Mr. Flynn stated that over the past ten years the City has significantly invested in and promoted the community, which is valued in terms of developing a new enterprise for the City, i.e. agricultural tourism, conventions, conferences, entertainment, and dining. The City has increased contributions to the Downtown Lodi Business Partnership (DLBP) by 2000% and doubled its contributions to the LCVB, San Joaquin Partnership, and the 4<sup>th</sup> of July Fireworks. Overall, there was a 389% increase in community promotions. The Information Systems Division increased from \$396,000 to \$792,000 a year, Human Resources increased from \$276,000 to \$424,000 annually, and Risk Management increased from \$75,000 to \$88,000.

Mr. Flynn reviewed the following accomplishments:

- Development of a long-term Financial Plan with ten-year projections;
- Hired a new Fire Chief, Police Chief, Parks and Recreation Director, Public Works Director, and Information Systems Division Manager;
- Lodi now has the first all compressed natural gas (CNG) bus fleet in northern California;
- Expanded after school programs;
- Implemented the Art in Public Places policy;
- Developed 298 acres of land for businesses;
- Promoted and worked with the business community to construct 4.25 million square feet of buildings
- Created 1,600 new jobs;
- Implemented the Code Enforcement Division;
- Community promotions – Parade of Lights, Celebration on Central, and Kids' Night Out;
- Initiated the Redevelopment Agency and greenbelt discussions;
- Increased community partnership support with the DLBP, Chamber of Commerce, LCVB, and San Joaquin Partnership;
- Accomplished capital projects – Downtown revitalization, Cherokee Lane Beautification, City Hall remodel, Community Center – Hutchins Street Square, restored the Arch bear;
- Major street improvements – Lower Sacramento Road, Stockton Street, Kettleman Lane, and Cherokee Lane;
- Added Fire Station #4;
- New Police building is under construction;
- Multi-Modal Station;
- New parking structure;
- Construction of CNG fueling station;
- Street light and sewer improvements on the east side;
- Civic Plaza Veterans' Monument;
- Parks – Katzakian and Peterson Park construction, the outdoor skate park, and Lodi Lake improvements.

Mr. Flynn stated that budget scenario 5 resulted in cuts of \$2.3 million; however, it allows for all the things staff needs to accomplish and ensures that pay raises are given to City employees. He reported that enterprise fund expenditures for bulk power totaled \$32,723,000 (36%), Transit totaled \$2,649,430 (3%), Water totaled \$6,105,614 (6%), Wastewater totaled \$24,846,565 (26%), and Electric operating totaled \$27,685,028 (29%).

In all funds combined 59% of the revenues came from service charges, 22% from revenues of property tax, sales tax, business license tax, and transient occupancy tax.

Mr. Flynn mentioned that he pulled from the budget his previous recommendation to make the Information Systems Division (ISD) a separate department; noting that it may be an administrative decision as opposed to a decision of the City Council.

Mayor Pro Tempore Howard replied that the request to convert ISD to a department was on page D-134 of the draft budget. She had intended to ask that it be pulled and voted on separately, as she was not in support of the proposal. Had it been approved as listed in the draft budget Council would have created a position and appointed an employee to the position directly. Ms. Howard felt that the position should be created first, and following that, either a direct appointment be made or a recruitment process initiated.

Mr. Flynn reported that over an 18-year period Hutchins Street Square became a department, and the person that began the process became the department head, with no action taken by Council. Personnel was originally an office under the supervision of the Assistant City Manager and over time it evolved into the Human Resources Department without action of the Council. He stated that there would be no increased cost or salary adjustment associated with converting ISD to a department. Mr. Flynn indicated that he would like to bring the matter back for a separate discussion at a later date.

Council Member Hansen believed this to be an issue of fairness and equity. He noted that the City has embraced technology and there are many issues that may warrant ISD being an individual department. Further, he stated that if someone is working in a department head position, it should be recognized. In reference to Mr. Flynn's earlier comment regarding a wastewater rate increase, Mr. Hansen stated that he would be opposed unless it was absolutely justified and there was no other way to accomplish the improvements to the wastewater facility. He reminded Mr. Flynn about his previous comments related to impact fees, grant funds, and low-interest rates, which could lessen the financial impact.

Mr. Flynn replied that staff would be coming back to Council in the 2003-04 budget year to discuss what could be done in terms of raising money and to review potential sources that may be of assistance.

Council Member Beckman asked that any increase of fees in the budget be itemized and that the addition of new positions and reclassifications that are created or added be voted on separately.

Mr. Flynn responded that staff would be bringing fee increases back to Council over the next two to three months. The proposed budget shows fee increase projections. There will be no fee increases without Council approval except those that are authorized in the Council's budget policies, which gives the program areas the ability to change their fees.

Council Member Hansen asked that within the next month, the City Manager review the plan for the capital projects that are on hold and what timeframe he projected for their completion.

Referencing page D-119 of the draft budget, Mayor Pro Tempore Howard noted that it initially indicated that the reclassification of Deputy City Manager to Assistant City Manager was to be deferred to the 2<sup>nd</sup> year and the salary increase would be \$6,000. It was her understanding that the request had been changed to eliminate the salary increase. Mr. Flynn nodded in agreement. Ms. Howard commented that had the request not been modified, she would have asked that the item be pulled and voted on separately.

Council Member Beckman asked for additional information related to requests for new positions and reclassifications, i.e. justification, and whether those reclassified would have their former positions removed or refilled.

Mr. Flynn explained that the position of Deputy City Manager has evolved over time. He stated that the reclassification to Assistant City Manager would offer more responsibility and would develop Ms. Keeter (Deputy City Manager) for the role of City Manager. He reminded Council that reclassification requests in the budget are brought back for Council approval. Positions are not reclassified as a result of adopting the budget.

Electric Utility Director Vallow explained that one person per substation is a normal standard. Currently there are four substations and one and a half electrical technicians. He noted that the position, if authorized, would not be filled right away. The position would be developed in-house. In answer to Council Member Beckman's inquiry about what would happen if the position were not authorized, Mr. Vallow expressed concern that the Utility is five years behind where it should be with an ongoing maintenance program. He noted that the most senior staff member is expected to retire in two to three years. Authorizing the position would allow an overlap and opportunity for training by this individual. He concluded by saying that if the position were not approved he believed the Utility could operate adequately and there would be no "immediate devastation."

Council Member Beckman expressed concern about adding new positions at this time and indicated his opposition to the request.

In answer to questions posed by Council Member Hansen, Mr. Vallow reported that: 1) the Utility does have funding for the position, 2) there would be no negative effect in the department by financing the position out of the enterprise; 3) it would not cause an increase in rates; and 4) by not authorizing the position there could be long-term costs due to maintenance problems.

Deputy City Manager Keeter reminded Council that during the April 2 meeting, when significant expenditure requests were being reviewed, it was staff's recommendation to defer hiring the four firefighters. It was Council's direction to place the request back into the budget.

Council Member Beckman asked Fire Chief Pretz to describe the impacts of not providing the Fire Department with the additional staff.

Chief Pretz replied that if the request were not approved the Fire Department would be operating with the same level of staffing it had in 1974. He pointed out that the City's population has doubled over the last 30 years. The call volume was just over 1,000 in 1974 and is projected to be over 4,400 in 2004. He reported that minimum staffing is now 13; whereas, in 1974 minimum staffing was 16. When Fire Station #4 was opened it changed the staffing configuration for the City. He explained that this request is an attempt to catch up to the necessary staffing that was needed due to the opening of Station #4.

Council Member Beckman requested information related to response time changes since 1974.

Chief Pretz did not have response time records from 1974; however, he reported that today the average response time (travel time) is 2 minutes and 51 seconds. For 90% of the City the response time is 4 minutes and 36 seconds citywide. The City's general plan calls for a 3-minute response time. It does not specify whether that response time is an average or for what percentage of the time. He acknowledged that the Fire Department does not have a funding source for the positions.

Council Member Beckman expressed his opposition to adding the new positions at this time.

In reply to Mr. Flynn, Chief Pretz recalled that at the beginning of the 2001-02 budget, the Fire Department laid out a plan that hired ten firefighters over the course of the next four years. The request being discussed now is the last part of that plan. In 1997-98 Council adopted a standard of coverage for the City that identified the number of firefighters needed for fire protection.

In response to questions by Council Member Hansen, Chief Pretz stated that he believed the Fire Department was overusing the equipment it has downtown. He explained that the truck used downtown also covers areas throughout the city and when it is gone, it leaves nothing in the downtown area. In reference to the capital budget request to lease two additional engines, Chief Pretz reported that one would be placed at Station #1 and the second would allow for the oldest engine the City has to be placed into reserve. He stated that the minimum number of staff needed on the fire ground before beginning firefighting operations is 14. The current standard is that when two people go in to fight a fire, there are two standing by. Chief Pretz stated that with the present level of staffing in the Fire Department, when there is a structure fire anywhere in the City, all of the City's resources are used and there is nothing in reserve. He stated that if Council approved the Fire Department's budget requests, it would allow for three of the engines and the truck to be dispatched to the fire, with one engine remaining for additional calls.

In answer to questions posed by Council Member Land, Chief Pretz recalled that in 1998, prior to Station #4 being opened, the response time to the west area was in the four to six minute range. At that time there was an automatic aid agreement with the Woodbridge Fire Department for the northwestern section of the City. He reported that last year 28.2% of the calls originated in the Station #1 area.

Council Member Land expressed support for bringing the engine back downtown and increasing the staffing level in the Fire Department.

In reference to a recent newspaper article, Chief Pretz explained that the numbers quoted were based on the 95 Wednesdays from January 2001 to the end of April, and for a four-hour window between 7:00 p.m. and 11:00 p.m. Out of these 95 Wednesdays, Council did not meet during half of them. The response time calculated of 4 minutes and 36 seconds was for the 90<sup>th</sup> percentile. Chief Pretz stated that the response time criteria for brain death, heart attack, etc. is 4 to 6 minutes and he was not overly concerned that in a small percentage of the time they were within that timeframe. He believed that the 3minute response time in the City's general plan was too ambiguous to use as a guideline.

In reply to Mr. Flynn, Chief Pretz stated that the lower the response time of the Fire Department, the lower the insurance rating, which saves money particularly for the business community.

Council Member Beckman asked Police Chief Adams what the impact would be of not hiring a High Crime Investigator.

Police Chief Adams explained that high-tech crimes involve identity theft and child molestation over the internet. Currently the Police Department has very little investigative ability in that area. The request for a High Crime Investigator is an attempt to create a new unit. It is hoped that additional investigators for the unit could be obtained through a grant from the Office of Criminal Justice Planning and a Community Oriented Policing Services universal hire grant. He hoped to eventually staff the unit with three new positions and reassign a fourth officer into the unit. He reported that last year there were 56 identity theft crimes in Lodi and 6 were prosecuted.

Mayor Hitchcock asked if someone currently within the department could be designated with the responsibility, give them the proper training, and utilize that position to qualify for the grants. She expressed concern about adding this position when there are 25 positions that will go unfilled during the 2003-05 budget.

Chief Adams indicated that federal grants would not look favorably upon reassigning a current staff member, in lieu of hiring a High Crime Investigator.

In reply to Council Member Hansen, Chief Adams explained that identity theft investigations are very labor intensive and typically involve state and other federal agencies. Chief Adams stated that he has made the commitment that if the grants were not successful, he would not ask for the other two positions to be funded out of the general fund.

Council Member Hansen was not in favor of reassigning a current staff member into the position and strongly recommended that Council authorize the High Crime Investigator position as requested in the 2<sup>nd</sup> year of the budget.

Mayor Hitchcock encouraged Chief Adams to apply for the grants as soon as possible.

Council Member Land stated that through his employment with a bank and working with the California Bankers Association he has found that the issues of the privacy act and identity theft are of great importance. He supported the Police Department's request to hire a High Crime Investigator in the 2<sup>nd</sup> year of the budget and added that if the state's budget impact is not as severe as anticipated, that this matter be brought back November or December for consideration to authorize the position in the 1<sup>st</sup> year of the budget.

PUBLIC COMMENTS:

- Tim Howard stated that he has been a victim of identity theft since 2000. He noted that Senator Poochigian is drafting a bill that will allow cities to prosecute individuals in other jurisdictions. He reported that the people most commonly targeted for identity theft are senior citizens and those without the resources, means, or ability to access corrective measures. According to the Secret Service, California has the highest number of identity thefts with the origins of the crime taking place in the Bay Area. Three police officers have been killed in the line of duty pursuing identity thefts in the Bay Area. Each year 750,000 Americans become victims of this crime. Mr. Howard reported that he has spoken with local Police Officers who stated that they have taken up to 12 identity theft reports in a week. He strongly encouraged Council to approve the immediate addition of a High Crime Investigator position in the Lodi Police Department.

RECESS

At 9:44 p.m., Mayor Hitchcock called for a recess, and the City Council meeting reconvened at 9:57 p.m.

I. REGULAR CALENDAR (Continued)

- I-3 Deputy City Manager Keeter stated that the budget includes a request from the Fire  
*Cont'd* Department to implement the paramedic program in the 2<sup>nd</sup> year of the budget with a revenue enhancement to include the first responder fee.

In answer to questions posed by Council Member Beckman, Fire Chief Pretz reminded Council that the Fire Department justified the need for the paramedics in October 2002. It was Council's direction to bring this forward in the 2003-05 budget process. Currently the Fire Department provides basic life support. The paramedic program would allow the Department to provide advanced life support. He reported that at nearly 70% of the calls,

the Fire Department arrives at medical emergencies 30 seconds to 2 minutes before the private ambulance providers. He stated that the private providers have acknowledged that they could not provide the same level of service without the fire departments, and in recognition of that, a first responder fee has been proposed as a way to pay for or offset some of the cost of providing advanced life support. He noted that fire departments in Contra Costa County and Alameda County receive a first response fee.

Mayor Hitchcock recalled that Council had already voted to move forward with the paramedic program, because the current level of service from the private providers was inadequate. She questioned the need at this time to debate the merit of the program or recommendation to hire the firefighter paramedics.

City Manager Flynn explained that the paramedic program could easily cost \$1.5 million a year to fully implement. Staff's recommendation is to phase in the program over time beginning with six firefighter paramedics in the 2<sup>nd</sup> year of the budget. The request under discussion is to appropriate the money to go forward. He reminded Council that he had originally recommended including transport so that there would be a funding source to pay for the program.

Chief Pretz noted that American Medical Response had offered to pay the salary difference between firefighters and firefighter paramedics, which essentially equated to the same amount of money as the first responder fee. To clarify previous Council action, he read the following excerpt from the minutes of September 18, 2002: "Council...unanimously directed the Lodi Fire Department to proceed with providing paramedics on its engine companies and present the City Council with a plan during the 2003-04 budget cycle to phase in the program." He noted that the overall paramedic program would have 17 positions.

Council Member Beckman asked that the request for six firefighter paramedics be pulled and voted on separately.

Parks and Recreation Director Baltz reported that a request was originally submitted for a full-time laborer for Lodi Lake; however, it was changed to \$12,000 for additional part-time hours. He explained that the park maintenance workload has increased due to the addition of Katzakian Park and Phase 2 of the Lodi Lake Pedestrian Trail. If approved, an additional part-time person would be hired.

Council Member Beckman asked that this request also be voted on separately.

Ms. Keeter noted that there was also a request to reclassify engineering technicians in the Public Works Department in the 2<sup>nd</sup> year of the budget. She confirmed that there would be no new positions as a result of the reclassification.

Mayor Hitchcock voiced concern about contributing \$50,000 in taxpayer's money toward the Salvation Army, particularly when the City has to reduce levels of service by not filling 25 positions. She asked that it be pulled and voted on separately.

Council Member Beckman stated that if Council made a financial commitment to the Salvation Army, though he was philosophically opposed to it, he would honor the previous commitment.

Mayor Hitchcock stated that she did not vote on the contribution for the Salvation Army to come from the general fund.

In answer to Council Member Hansen, Community Development Director Bartlam explained that the shelter portion of the project is not eligible for Community Development Block Grant (CDBG) funds because it is a religious associated activity. He recalled that \$200,000 in CDBG funds were allocated to the food bank portion of the project.

Council Member Hansen agreed that under most circumstances charitable contributions should be separate from the City; however, he believed this to be a unique situation because the project provided an opportunity to move the shelter out of the downtown area, which the City had asked them to do. He felt it would be a disservice not to provide the funding that the City previously committed to.

To clarify previous Council action, Mr. Flynn read the following excerpt from the minutes of October 3, 2001: "Council...authorized the City of Lodi to participate with the Salvation Army in funding a new homeless shelter at 622 N. Sacramento Street in the amount of \$250,000 over a five-year period, or less, with the funding source to be determined each year during the budget process."

In reply to Mayor Hitchcock, Mr. Bartlam explained the Salvation Army prorated the share of the size of the building for the food bank portion of the project. They were specific in how much they felt the project would cost and had requested (and received) \$200,000 in CDBG funds.

Council Member Land pointed out that it was due to Council's direction that the Salvation Army relocated. The total price of the project is \$1.5 million and they are counting on the \$50,000 contribution from the City each year for the next five years. He stated that the Salvation Army is the only service in Lodi that is providing emergency shelter and food for the homeless and if they were not doing it, the City would have to shoulder the burden.

Mayor Hitchcock asked that this be voted on separately, as it would then allow a way for her to support the balance of the budget.

Mayor Pro Tempore Howard stated that when the vote was originally taken the Council realized that it was committing City dollars, not CDBG funds. The hope was that the Redevelopment Project Area would be in effect; however, that has not yet occurred. She supported honoring the commitment to the Salvation Army.

Referencing page G-7, Mayor Hitchcock noted that the revised budget showed under the category of Other Sources and Uses \$1,200,000 in 2002-03 and \$2,350,000 in 2003-04. It did not indicate the figures for 2001-02; however, the current adopted budget shows \$3,392,024 for that year. She asked for an explanation of what specifically was contained in the figures.

Finance Director McAthie explained that the reason there was no amount in Other Sources and Uses for 2001-02 is because once the figures are known they are moved from that category to "actual" revenue or expenditures. She reported that the \$1.2 million figure was \$200,000 in additional revenue and \$1 million in appropriated, but unexpended funds remaining at the end of the fiscal year. The \$2,530,000 figure was for additional program reductions, anticipated savings, revenues, carryover, etc., which was outlined in scenario 5. She explained that Other Sources and Uses is not itemized out in the budget because it includes projected negotiations costs.

Mayor Hitchcock noted that in 2004-05 Other Sources and Uses amounts to \$2.7 million and the City's fund balance is \$2.5 million. She pointed out the financial difficulty that would result if the projected Other Sources and Uses amount did not materialize. She expressed concern that the budget is being balanced with a number that is not explained anywhere in the document and stated that the public has the right to know what is being predicted. She reported that the last budget showed \$3.2 million for 2002-03 and now there is only \$1.2 million.

Ms. McAthie explained that the difference in 2002-03 was due to the Market Cost Adjustment and whether it should have been included in the in-lieu calculation. It had been put in Other Sources and Uses; however, once resolved, it became part of the expenditure side.

Council Member Hansen stated that Council had been given another document that itemized the Other Sources and Uses category. He believed the budget format was sound and he had no concerns regarding the way Other Sources and Uses was handled.

In reference to the Salvation Army issue, Council Member Beckman asked the City Attorney if there was a law that allows a charitable entity to sue someone who makes a charitable promise and backs out on the contract. City Attorney Hays did not believe it would apply to a governmental agency.

Council Member Land was not in favor of making any changes to the budget format. He noted that in the past seven years that he had worked on City budgets, no one had ever asked him what the Other Sources and Uses were.

Mayor Hitchcock preferred that the figures be as accurate as possible, rather than underestimating revenues and overestimating expenses. She suggested that actual projections of revenue and expenses be listed with a footnote listing the anticipated sources.

Council Member Hansen pointed out that there has not been a history of this being a problem and noted that it is very difficult to project revenues and expenditures with 100% accuracy.

Mr. Flynn stated that as a budgeting professional with 35 years of experience, the City's budget is appropriately presented and correct. He commented that the school district uses the same format.

Ms. McAthie stated that when she reports on estimated revenue she indicates what was estimated and what actually came in. She noted that in the last several years it has come very close, which she stated was a source of pride for her because it is a difficult thing to do.

PUBLIC COMMENTS:

- Kathleen Meyers stated that her purse was stolen last week and 12 of her checks have been forged in this community. She encouraged Council to approve the Police Department's request for a High Crime Investigator.

Mayor Hitchcock stated that there would be no need for a special meeting tomorrow to continue discussions regarding the budget.

MOTION / VOTE:

There was no Council action necessary on this matter.

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

Mayor Pro Tempore Howard made a motion, Hitchcock second, to continue with the remainder of the meeting following the 11:00 p.m. hour. The motion **failed** by the following vote (requires a 4/5 vote of the Council):

Ayes: Council Members – Hansen, Howard, and Mayor Hitchcock

Noes: Council Members – Beckman and Land

Absent: Council Members – None

I. REGULAR CALENDAR (Continued)

- I-4 "Adopt resolution authorizing reallocation of \$9,500 from unencumbered 2002-03 funds for the purchase of five notebook computers" was ***continued to the regular meeting of June 18, due to the above vote.***
- I-5 "Adopt resolution supporting the statewide adoption of the building and fire safety codes published by the International Code Council" was ***continued to the regular meeting of June 18, due to the above vote.***
- I-6 "Adopt resolution authorizing the purchase of Websmart Development Tools from Business Computer Design International, Inc., of Hinsdale, Ill. (\$22,650)" was ***pulled from the agenda pursuant to staff's request.***
- E-6 "Adopt resolution authorizing the City Manager to execute an amendment to the Memorandum of Understanding between the City of Lodi and various railroads approved by City Council on September 18, 2002" was ***continued to the regular meeting of June 18, due to the above vote.***

J. ORDINANCES

- J-1 "Ordinance No. 1731 entitled, 'An Ordinance of the Lodi City Council Amending the Official District Map of the City of Lodi and Thereby Rezoning the Parcels Located at 13669 North Cherokee Lane; 4071, 4145, and 4219 East Harney Lane; and 1443 East Harney Lane (APN 062-290-14, 17, 37, and 38 and APN 058-230-17) from San Joaquin County RL, Residential Low Density and AU-20, Agriculture Urban Reserve to R2, Single Family Residential'" was ***continued to the regular meeting of June 18, due to the above vote.***

K. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Mayor Pro Tempore Howard reported that Public Works Director Prima sent a note of thanks to the Lodi Kiwanis Club for the work they did in refurbishing the Civic Center planter area at the corner of Church and Pine Streets and she too complimented the Club. Yesterday she attended the kick-off luncheon for the San Joaquin County Fair to be held June 4 to 11. Today she attended a luncheon in Sacramento for the California Association of Realtors annual conference, at which a number of Lodi representatives were present.
- Council Member Beckman suggested that in an effort to increase efficiency and conserve resources, staff consider placing requests for adoption of resolutions in support or opposition to legislation on the consent calendar.
- Council Member Hansen thanked Council for the affirmative vote related to Senate Bill 888.
- Mayor Hitchcock reported that she, along with Vicky McAthie, Ruby Paiste, and Rich Mullenbach from General Mills, interviewed three applicants that had submitted proposals for auditing services. The City's current auditor's bid was considerably higher than the others. Ms. McAthie successfully negotiated a lower price from them. She announced that a representative from Senator Poochigian's office would be at the Carnegie Forum tomorrow from 1:00 to 4:30 p.m.

L. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

- City Manager Flynn announced that City Clerk Blackston's birthday is June 12 and Electric Utility Director Vallow's birthday is July 2.

*Continued June 4, 2003*

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 11:25 p.m., in memory of Police Partners Lou Hutton and Vi McCombs who passed away on June 2, 2003.

ATTEST:

Susan J. Blackston  
City Clerk